



**North Carolina Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor  
Carmen Hooker Odom, Secretary

Michael Moseley, Director

December 3, 2004

**MEMORANDUM**

**TO:** Area/County Program Directors

**FROM:** Mike Moseley

**SUBJECT:** Expanded CTSP Funding Guidelines for Area/County Programs for UCR and Non-UCR Funds

This memorandum is in follow-up to my memorandum of August 31, 2004 regarding Comprehensive Treatment Services Program (CTSP) funding. Enclosed are the CTSP Funding Guidelines for Area/County Programs for UCR and Non-UCR Funds effective December 1, 2004. These Guidelines include a number of changes that will expand the use of CTSP funds for additional children and adolescents who are at-risk for out of home placement. The Division is implementing these Guidelines to increase the flexibility in the use of UCR and/or Non-UCR CTSP funding in support of System of Care as the best practice for children and adolescents with mental health and/or substance abuse problems.

The Guidelines are provided to support and encourage Area/County Programs and Community Collaboratives in the appropriate expenditure of CTSP UCR and Non-UCR funds for child and family service activities and for such purposes as child and adolescent services planning, training, and community support activities. These funds should be utilized in supporting activities that are intended to seamlessly extend services and supports provided through Medicaid, Health Choice, or other public or private funding. It is in the best interests of consumers, Community Collaboratives, Area/County Programs, and the Division that these funds be fully utilized in a creative, effective, and prudent fashion that ensures the most appropriate and efficient use of funds to benefit children, adolescents, and families in need.

Thank you for your planning and provision of services through CTSP funds for children and adolescents who are at-risk for out of home placement. If you have any questions, please feel free to contact Spencer Clark in the Community Policy Management Section at [Spencer.Clark@ncmail.net](mailto:Spencer.Clark@ncmail.net) or (919) 733-4670.

cc: Secretary Carmen Hooker Odom  
Lanier Cansler  
DMH/DD/SAS Executive Leadership Team  
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Wayne Williams  
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Wanda Mitchell  
Area/County Program Finance Officers  
State Facility Directors



Community Policy Management Section

**Comprehensive Treatment Services Program (CTSP) Funding Guidelines for  
Area/County Programs and Community Collaboratives for UCR and Non-UCR Funds:  
Effective December 1, 2004**

**I. Introduction**

HB 1414, Section 10.22A provides direction to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to:

- a) Identify fiscal barriers related to the delivery of community-based services and implement changes to remove these barriers, and
- b) Identify and eliminate administrative and fiscal barriers created by existing State and local policies and procedures in the delivery of community-based mental health, developmental disabilities, and substance abuse services provided through the Area/County Programs, including services provided through Comprehensive

Treatment Services Program (CTSP) funding for children and adolescents.

**II. CTSP Funding Overview**

As indicated in the Division's memorandum of August 31, 2004 from Mike Moseley to Area Program Directors regarding Comprehensive Treatment Services Program (CTSP) Funding (accessible on the Division's web page at <http://www.dhhs.state.nc.us/mhddsas/announce/ctpsfundingtoap8-31-04memo.pdf>), the Division is implementing these Guidelines to increase the flexibility in the use of UCR and Non-UCR CTSP funding in support of System of Care as the best practice for children and adolescents with mental health and/or substance abuse problems. A Division sponsored work group, which included area program and Council representation and Division staff, has formulated these changes that will expand the use of CTSP funds to additional child populations and services.

The Division is opening up CTSP funding access to child mental health and child substance abuse treatment target populations for children and adolescents who are at-risk for out of home placement for services provided on or after December 1, 2004. It is the intention of the Division to support and empower Area/County Programs and local Community Collaboratives to utilize CTSP funding in ways that are both programmatically creative and fiscally prudent. It is critical that Area/County Programs and local Community Collaboratives understand that CTSP funds are to be effectively utilized, managed, and monitored by Area/County Programs throughout the fiscal year.

There has been some difficulty in the past in fully utilizing these funds that might otherwise have legitimately furthered support for individual child and family plans and supported the broader purposes of this initiative. These Guidelines are provided to support and encourage Area/County Programs and Community Collaboratives in the appropriate expenditure of

CTSP UCR and Non-UCR funds for child and family service activities and for such purposes as child and adolescent services planning, training, and community support activities.

These funds should be utilized in supporting activities that are intended to seamlessly extend services and supports provided through Medicaid, Health Choice, and other public and private funding. It is in the best interests of consumers, Community Collaboratives, Area/County Programs, and the Division that these funds be fully utilized in a creative, effective, and prudent fashion that ensures the most appropriate and efficient use of funds to benefit children, adolescents, and families in need.

### **III. Procedures for CTSP UCR and Non-UCR Funding**

1. The Division will increase access to CTSP UCR and Non-UCR funding for child mental health and child substance abuse treatment target populations for children and adolescents who are at-risk for out of home placement(s). Out of home placement may include any residential placement, other than in the home of a biological parent or step-parent, including a foster care or formalized placement with other family members, as well as placement in a mental health or substance abuse treatment facility, or a juvenile justice detention or youth services facility. Assessment of risk for out of home placement should be included in each individual's child and family plan with appropriate strategies designed and employed to reduce such risk. Use of all Division funds shall be in accordance with each child and family plan and should support the individual child's or adolescent's identified treatment outcomes.

These children and adolescents include the following IPRS target populations (accessible on the Division's web page at

<http://www.dhhs.state.nc.us/mhddsas/iprsmenu/index.htm>):

- (a) Child Mental Health Seriously Emotionally Disturbed with Out-of-Home Placement (CMSED)
- (b) Child Mental Health Seriously Emotionally Disturbed (CMMED)
- (c) Child Mental Health Deaf or Hard of Hearing (CMDEF)
- (d) Child Mental Health Homeless (PATH) (CMPAT)
- (e) Child Mental Health Early Childhood Disorder (CMECD)
- (f) Child with a Substance Abuse Disorder (CSSAD)
- (g) Child Substance Abuse Women (CSWOM)
- (h) Child Substance Abuse Criminal Justice Offender (CSCJO)
- (i) Child in the MAJORS Substance Abuse /Juvenile Justice Program (CSMAJ)

The Division will allow for the establishment of differential payment hierarchies within the Integrated Payment and Reporting System (IPRS) for various Child Mental Health and Child Substance Abuse treatment target populations. CTSP funds have been previously designated in the payment hierarchy only for the target population of Child Mental Health Seriously Emotionally Disturbed with Out-of-Home Placement (CMSED). However, these changes will expand CTSP funding for IPRS payment hierarchies for other Child Mental Health and Child Substance Abuse treatment target populations.

2. The Division will establish a CTSP Workgroup that will review and monitor earning of CTSP funds by target population, and where appropriate, will, in concert with Area/County Programs, reallocate CTSP funds.
3. Area/County Programs will be responsible for assuring increased outreach to children and adolescents who meet this broadened CTSP funding eligibility criteria, with emphasis on those most in need and at risk for out of home placement. This adjustment will increase resources access at the community level for services to a larger child mental health and child substance abuse treatment population, as well as providing an increased focus on children and adolescents with special needs and/or co-occurring disorders.

#### **IV. CTSP Funding Transfer Request Summary for Non-UCR Funding**

1. In SFY 05 the Division will allow the reallocation of up to ten percent (10%) of each Area/County Program's total annual allocation of CTSP funds from UCR to Non-UCR for expenditure in support of activities envisioned in the Division's Child Mental Health Plan (CMHP) (accessible on the Division's web site at <http://www.dhhs.state.nc.us/mhddsas/childandfamily/childplan9-16-03final-5-5-04.pdf>)
2. In support of this transfer from UCR to Non-UCR, each Area/County Program, in cooperation with their associated Community Collaboratives (and the multi-agency leadership as noted in the signed local Memorandum of Agreement), will be requested to submit the attached CTSP Funding Transfer Request Summary by e-mail that outlines the planned activities and associated expenditures. This Summary includes required check boxes that indicate the approvals of the Director of the Area/County Program and the Chair(s) of the local Community Collaborative(s).
3. This Funding Transfer Request Summary, for a specific reallocation of funds from UCR to Non-UCR, will be approved by the Division as submitted by the Area/County Program and Community Collaborative(s), unless the Summary and associated funding request is not consistent with these Guidelines, including activities outlined in Section VI below. Purchase of any capital items or equipment in excess of \$2,000 must be clearly delineated in the Funding Transfer Request Summary, with additional required narrative detail to be provided. Purchase of capital items or equipment of \$2,000 or less are not required to be separately delineated, and should be included in the total amount requested within a planned activity to be supported with CTSP Non-UCR funds. Funds shall not be used to hire any Area/County Program staff to perform LME functions.
4. The Funding Transfer Request Summary must be submitted by e-mail to Wanda Mitchell in the Division Budget and Finance Office at [Wanda.Mitchell@ncmail.net](mailto:Wanda.Mitchell@ncmail.net), and is required to be received by the Division prior to the reallocation of CTSP funds.
5. In order to exceed the reallocation of ten percent (10%) of each Area/County Program's total annual allocation of CTSP funds, as goals/outcomes are met, or as new goals/outcomes are identified, the Area/County Program and Community Collaborative(s) may submit a new or revised Summary with an additional associated funding reallocation request by e-mail to Wanda Mitchell in the Division Budget and Finance Office at [Wanda.Mitchell@ncmail.net](mailto:Wanda.Mitchell@ncmail.net).

6. Approved activities that are associated with outcomes that shall be considered as part of any Funding Transfer Request Summary include those measured through NC-TOPPS and other evaluation mechanisms as follows:

A. Child and Family Outcomes

- 1) Increase engagement and participation by families in planning for the care of their children and in the planning of services at the program and system levels;
- 2) Increase number of children receiving evidence based best practice home-and-community based services;
- 3) Increase preservation of the family unit as evidenced by reductions in unnecessary out of home placements (to include training schools, detention, foster care, mental health residential treatment centers, psychiatric hospitalizations, state institutions);
- 4) Improve linkages with physical health resources as evidenced by an increase in the number of referrals to public health or related health professionals;
- 5) Improve school attendance, behavior and performance as evidenced by reductions in truancy, suspensions and expulsions;
- 6) Decrease criminal activities as evidenced by reductions in arrest rates;
- 7) Decrease substance abuse and other risky behaviors.

B. Services and Community Capacity Necessary to Deliver Child and Family Outcomes

- 1) Provide individualized and comprehensive care to children and families in the community in which they live based on the premise of "one family, one plan, one team";
- 2) Improve the quality of services for children and their families with complex needs by creating a fully comprehensive, community-based array of services and supports grounded in evidence based best practices;
- 3) Build and sustain accountable public and private interagency, family and community collaboration on behalf of these children and their families;
- 4) Establish replicable models of integrated resources and eliminate cost-shifting.

## **V. CTSP Reporting for UCR and Non-UCR Funding**

It is recognized that significant and ongoing support will be required in this early phase of transition in Mental Health Reform for intensive training related to System of Care processes such as child and family team implementation. It is also recognized that the purpose of these expenditures is to ultimately support the timely provision of high quality, evidence-based, and outcome-oriented mental health and substance abuse services by both public and private providers.

The Division will monitor the expenditure of CTSP UCR and Non-UCR funds through IPRS reports and through a CTSP Non-UCR Funding Year-End Activity Report from Area/County Programs and Community Collaboratives. These reports will provide documentation of the use of CTSP funds and the implementation of Funding Transfer Request Summaries, and will describe the positive impacts of such activities for increasing the quality, quantity, and effectiveness of services for child mental health and child substance abuse clients.

For programs utilizing Non-UCR funding, attached is the required Year-End Activity Report that is to be submitted to the Division. This required report includes a description of activities completed, with such detail as number and types of events provided, number and types of persons served, outcomes attained, etc.

This report is to be received by August 31 of the fiscal year following the expenditure of funds by Maria Fernandez on the Quality Management Team at [Maria.Fernandez@ncmail.net](mailto:Maria.Fernandez@ncmail.net) or Quality Management Team, 3004 Mail Service Center, Raleigh, NC 27699-3004.

## **VI. Support for System of Care**

1. The need for UCR and Non-UCR activities supporting System of Care should be fully documented in the child and family plan of each child or adolescent and should support the achievement of designated child or adolescent personal outcomes.

Approved UCR and Non-UCR activities include the following:

- (a) Crisis care to prevent institutionalization.
- (b) Comprehensive services and family supports – child specific.
- (c) Family/youth participation and strengthening family/youth support, family/youth advocacy groups involvement within the community, peer supports, and self-help and recovery support services.
- (d) Community and family/youth training on System of Care, comprehensive assessment, Person Centered Plan (PCP)/child and family team process and evidenced based practices that will eliminate barriers to accessing appropriate mental health and substance abuse services and supports that children and their families need, including recovery support services, where and when they need them.
- (e) Workforce training and training re: Child Mental Health Plan and key elements such as System of Care, cultural responsiveness, and client treatment outcomes and program performance measures using the North Carolina Treatment Outcomes and Program Performance System (NC-TOPPS).
- (f) Programs that will increase community capacity (e.g., for co-occurring populations, emerging high risk youth populations such as oxycodone and methamphetamine users, the deaf and hard of hearing population, etc.).
- (g) Prevention and early intervention activities – fund services and supports to promote capacity for selective and indicated prevention services and intervene early with children at risk of SED or substance abuse (e.g., work with youth such as Reconnecting Youth, Strengthening Families, consultation with schools, underage tobacco and alcohol initiatives, peer group brief interventions, mentoring, self-esteem building, consultation with and outreach to pediatric and primary care practices, public health, school health, runaway and homeless youth programs, parent education and support and other community based services and supports).
- (h) Community Collaborative Training and support by Division-approved trainers. (The current listing of Division-approved trainers for Community Collaborative Training and support will be made available to LMEs by the Division).
- (i) Training and education costs for start-up for community placements to assist in maintaining a qualified provider network.

2. In keeping with the local interagency Memorandums of Agreement, there should be no circumstance under which CTSP UCR or Non-UCR funds are used to support services that are defined in regulations, policy or through agreement as the responsibility of any other Department or agency such as schools, Vocational Rehabilitation or medical services. Services should be limited to a child and their caregivers within the context of a child and family team approved and developed child and family plan.
3. Non-approved activities for which Division funding, including CTSP, is not appropriate include:
  - (a) Hiring of Area/County Program staff to perform any Local Management Entity (LME) function(s).
  - (b) School services that should be the purview of schools and/or are covered or should be legitimately covered under IDEA or Section 504 of the Rehabilitation Act.
  - (c) Department of Juvenile Justice and Delinquency Prevention (DJJDP) or Department of Social Services (DSS) residential settings. Coordination with DJJ and DSS is imperative. The Area/County Program and Community Collaborative(s) are encouraged to develop comprehensive services and supports, and staff where and when children and families need them, and in the least restrictive setting.
  - (d) Funds are not to be used if other means of funding are available to support services, i.e., Medicaid, Health Choice, private insurance, or other public or private funding. However, CTSP funds may be used to provide services and supports, per an approved child and family plan, that seamlessly extend those services and supports otherwise offered through Medicaid, Health Choice, or other public funding.
  - (e) Purchase, or improvement of land; or purchase, construction, and/or permanent improvement of any building or other facility; or purchase of major medical equipment.

## **VII. Questions and Further Information**

It is anticipated that as these Guidelines are applied by the Area/County Programs and Community Collaboratives that questions may arise. In that event, such questions should be formulated in writing and directed to Mark O'Donnell at [Mark.O'Donnell@ncmail.net](mailto:Mark.O'Donnell@ncmail.net) in the Community Policy Management Section for review by the CTSP Workgroup. A web listing of such CTSP Funding questions and answers will be established on the Division's website.

## **VIII. Division Contacts for CTSP Funding**

Spencer Clark, CPM Section, at [Spencer.Clark@ncmail.net](mailto:Spencer.Clark@ncmail.net) or (919) 733-4670  
Wanda Mitchell, Budget Team, at [Wanda.Mitchell@ncmail.net](mailto:Wanda.Mitchell@ncmail.net) or (919) 733-7013  
Mark O'Donnell, LME Team, at [Mark.O'Donnell@ncmail.net](mailto:Mark.O'Donnell@ncmail.net) or (919) 715-1294  
Maria Fernandez, QM Team, at [Maria.Fernandez@ncmail.net](mailto:Maria.Fernandez@ncmail.net) or (919) 733-0696

## Community Policy Management Section

**CTSP Funding Transfer Request Summary for Non-UCR Funding**

Request for State Fiscal Year Ending June 30, \_\_\_\_\_

Area/County Program or LME	Name/Title of Staff Submitting Request	Date Submitted
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**NOTE:** Submit completed Summary by e-mail to Wanda Mitchell in the Division Budget and Finance Office at Wanda.Mitchell@ncmail.net. Summary is required to be received by the Division prior to the reallocation of CTSP funds.

**Has this completed CTSP Funding Transfer Request Summary been approved by:**

1) the Area/County Program Director? ☐ Yes ☐ No      2) the Chair(s) of Community Collaborative(s)? ☐ Yes ☐ No

**Name(s) of Community Collaborative**

**Chair(s):** \_\_\_\_\_

	Planned Activities to be Supported with CTSP Non-UCR Funds*	\$ Amount Requested
<b>a</b>	Crisis care to prevent institutionalization.	
<b>b</b>	Comprehensive services and family supports – child specific.	
<b>c</b>	Family/youth participation and strengthening family/youth support, family/youth advocacy groups involvement within the community, peer supports, and self-help and recovery support services.	
<b>d</b>	Community and family/youth training on System of Care, comprehensive assessment, Person Centered Plan (PCP)/child and family team process and evidenced based practices that will eliminate barriers to accessing appropriate mental health and substance abuse services and supports that children and their families need, including recovery support services, where and when they need them.	
<b>e</b>	Workforce training and education re: Child Mental Health Plan and key elements such as System of Care, cultural responsiveness, and client treatment outcomes and program performance measures using the North Carolina Treatment Outcomes and Program Performance System (NC-TOPPS).	
<b>f</b>	Programs that will increase community capacity (e.g., for co-occurring populations, emerging high risk youth populations such as oxycodone and methamphetamine users, the deaf and hard of hearing population, etc.).	
<b>g</b>	Prevention and early intervention activities – fund services and supports to promote capacity for selective and indicated prevention services and intervene early with children at risk of SED or substance abuse (e.g., work with youth such as Reconnecting Youth, Strengthening Families, consultation with schools, underage tobacco and alcohol initiatives, peer group brief interventions, mentoring, self-esteem building, consultation with and outreach to pediatric and primary care practices, public health, school health, runaway and homeless youth programs, parent education and support and other community based services and supports).	
<b>h</b>	Community Collaborative Training and support by Division-approved trainers.	
<b>i</b>	Training costs for start-up for community placements to assist in maintaining a qualified provider network.	
<b>j</b>	Purchase of any capital items or equipment in excess of \$2,000. <i>(Provide additional required narrative detail here.)</i>	
<b>TOTAL</b>		



\* OPTIONAL: Additional narrative detail of planned activities and projected outcomes may be provided on a separate page.

Community Policy Management Section

# CTSP Non-UCR Funding Year-End Activity Report

Report for State Fiscal Year Ending June 30, \_\_\_\_\_

**Area/County Program or LME**

**Name/Title of Staff Submitting Report**

**Date Submitted**

**NOTE:** Submit completed Report by August 31 following the end of the State Fiscal Year to Maria Fernandez on the Quality Management Team at Maria.Fernandez@ncmail.net, or 3004 Mail Service Center, Raleigh, NC 27699-3004.

	<b>Completed Activities that Were Supported with CTSP Non-UCR Funds in State Fiscal Year</b>	<b>Description of activities completed with such detail as number and types of events provided, number and types of persons served, outcomes attained, etc.</b>
<b>a</b>	Crisis care to prevent institutionalization.	
<b>b</b>	Comprehensive services and family supports – child specific.	
<b>c</b>	Family/youth participation and strengthening family/youth support, family/youth advocacy groups involvement within the community, peer supports, and self-help and recovery support services.	
<b>d</b>	Community and family/youth training on System of Care, comprehensive assessment, Person Centered Plan (PCP)/child and family team process and evidenced based practices that will eliminate barriers to accessing appropriate mental health and substance abuse services and supports that children and their families need, including recovery support services, where and when they need them.	
<b>e</b>	Workforce training re: Child Mental Health Plan and key elements such as System of Care, cultural responsiveness, and client treatment outcomes and program performance measures using the North Carolina Treatment Outcomes and Program Performance System (NC-TOPPS).	
<b>f</b>	Programs that will increase community	

	<b>Completed Activities that Were Supported with CTSP Non-UCR Funds in State Fiscal Year</b>	<b>Description of activities completed with such detail as number and types of events provided, number and types of persons served, outcomes attained, etc.</b>
	capacity (e.g., for co-occurring populations, emerging high risk youth populations such as oxycodone and methamphetamine users, the deaf and hard of hearing population, etc.).	
<b>g</b>	Prevention and early intervention activities – fund services and supports to promote capacity for selective and indicated prevention services and intervene early with children at risk of SED or substance abuse (e.g., work with youth such as Reconnecting Youth, Strengthening Families, consultation with schools, underage tobacco and alcohol initiatives, peer group brief interventions, mentoring, self-esteem building, consultation with and outreach to pediatric and primary care practices, public health, school health, runaway and homeless youth programs, parent education and support and other community based services and supports).	
<b>h</b>	Community Collaborative Training and support by Division-approved trainers.	
<b>i</b>	Training costs for start-up for community placements to assist in maintaining a qualified provider network.	